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ABSTRACT

Building on a pledge to support the state's job growth and successful transitions from welfare to work, the governor of Maryland issued an executive order in 1998 to establish the Maryland Child Care Business Partnership (MCCBP). This partnership, comprised of 23 members representing business, labor, state and local government, and the child care community, was charged with assessing child care needs and resources in Maryland, identifying innovative child care programs and strategies, and developing a plan by which public funds would be used for initiatives with employers and community support to increase the availability of child care, especially for low-wage workers. The findings of the partnership revealed that there are over half a million Maryland children who are in need of care for at least part of the day. Maryland has a child care capacity for approximately 37 percent of children under 12 years needing care. The supply and cost of regulated child care vary greatly by jurisdiction and region. The state offers assistance to families, care providers, and employers in obtaining and providing quality care programs. Promising developments in providing child care have involved public-private partnerships in states including Colorado and North Carolina. Several MCCBP members held regional business breakfasts to consider ways the business community could lead in developing child care solutions for employees and the larger community. The MCCBP concluded that such events will be most effective in producing new child care resources and options if they are part of a comprehensive regional plan involving relationship building and concrete action plans. (Two appendices contain the text of the executive order creating the MCCBP, its members, and include a statement of The Employer Group, a group of about 20 national companies employing large numbers of low-wage workers.) (KB)

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MARYLAND CHILD CARE BUSINESS PARTNERSHIP

FINAL REPORT

IPS 030306

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Maryland Child Care Business Partnership
Final Report – June 30, 2000

EXECUTIVE SUMMARY

Building on his pledge to improve the quality of life of Maryland families, and to further support Maryland's continued strong job growth and the successful transition from welfare to work, Governor Parris N. Glendening issued an Executive Order on October 6, 1998, to establish the Maryland Child Care Business Partnership.

The Partnership, comprised of 23 members representing business, labor, State and local government and the child care community, was charged with assessing the child care needs and resources in Maryland, surveying other states to identify innovative child care programs and strategies, and developing a plan by which matching public funds will be made available through the Department of Human Resources for initiatives that have employer and community support and that increase the availability of child care especially for low-wage workers.

Child Care Needs of Maryland Families

Approximately 61 percent of children under age 12 in Maryland have mothers in the workforce. According to the 1990 census, this means there are 542,420 children who are in need of care for at least part of the day. Factors such as income, work hours, ages and needs of children, and personal and community resources determine how Marylanders are able to meet their families' child care needs.

The U.S. Department of Health and Human Services recommends that parents should not spend more than 10 percent of their family income on child care. In Maryland, low-income families may have to spend as much as 30 percent of their income on child care. It is often the second or third highest expense after housing, food, and taxes. For this reason, child care may not be affordable for many low-wage employees even when it is readily available in their communities or at their work-sites.

Parents of infants and toddlers must pay the most for child care. The average monthly cost for infant care is $424 in a family child care home and $640 in a child care center. Families with children who have special needs may have difficulty finding any care at all. For a parent with a school-aged youngster, child care must be located near the child's school or transportation to and from the facility must be available. Hours of care are often not as flexible as families need, with only 10 percent of all caregivers in Maryland licensed to provide evening and overnight care. Families also need a way to care for sick children and to obtain emergency care when the arranged child care is disrupted for some reason.

Child Care Resources in Maryland

Maryland has more than 12,000 family child care homes and 2,200 child care centers with a capacity to serve more than 200,000 children or approximately 37 percent of the children under age 12 with mothers in the workforce. A number of the youngsters who are not in regulated care may be cared for by relatives or other informal caregivers such as nannies.

The supply of regulated child care and the cost of care vary greatly by jurisdiction and region of the State. The Lower Eastern Shore and Western Maryland counties have the fewest facilities and the highest ratios of children per regulated space in the State. Montgomery, Prince George's and Baltimore Counties have the largest number of centers and child care homes. The average cost of child care is highest in Montgomery and Howard Counties and lowest on the Eastern Shore.

The State of Maryland, through the Departments of Human Resources and Business and Economic Development, offers programs to assist families, providers of care and employers in obtaining and providing quality child care programs. The Purchase of Care program provides direct subsidies to offset the cost of care for families with incomes up to 45 percent of the State median income ($29,979 for a family of four). The Earned Income Tax Credit also assists low-income families by giving them more disposable income, which they can use to help pay for child care.

The Child Care Administration, in addition to licensing and monitoring all regulated child care facilities in the State, provides training for child care providers, consumer education, and funds a Statewide Resource and Referral Network. The Day Care Financing Administration provides loan guarantees and a special loan fund to child care centers to develop and expand facilities.

Child Care Concerns from an Employer's Perspective

Employers are becoming increasingly aware that a whole array of work/life issues, i.e. child care, elder care, flexible scheduling, telecommuting, job sharing, resources for fitness and wellness are more important to the workforce than they once were. Family-friendly workplace policies that address these issues and offer work/life integration can improve recruitment and retention of workers, reduce absenteeism and tardiness, and improve job performance and productivity.

These are goals that employers pursue at all times. However, the current economic situation, with extremely low unemployment prevailing for a long period of time, has exacerbated the workforce challenge faced by businesses. Finding a new employee now often means hiring a worker away from another job. Members of the Maryland Child Care Business Partnership suggest that in this economic environment, one of the goals of business leaders in Maryland might well be to position the State to be competitive with other states in the quest for workers. In this competition, recent surveys indicate that many workers now view the opportunity for work/life integration and balance to be more important than monetary compensation.

In the mix of work/life issues, child care is clearly a major concern. With the dramatic increase in the number of families headed by single parents or two working parents, the availability of child care can be the determining factor as to whether a parent can work. Furthermore, reliable, high quality child care reduces worker stress and absenteeism, which, in turn, improves productivity. Given these workplace realities, many employers would like to be involved in developing child care solutions.

The question that businesses face is *how* to get involved. Workforce needs, resources and employer capacity vary greatly. Of primary concern is flexibility, such as the availability of evening, weekend or drop-in care to meet the needs of part-time employees and those who are not on traditional work schedules. An additional concern is affordability. Low-wage employees must have the same opportunity for access to existing child care resources as higher paid staff. In some jurisdictions and for some age groups, notably infants and school-age children, availability of care is also an issue. Availability of care is a major barrier noted by a partner on the Eastern Shore where employees must travel long distances between home, work and child care.

Strengthening Public/Private Sector Initiatives in the State of Maryland: The Role of the Business Community and Public/Private Partnerships

In response to this analysis of child care needs, the Maryland Child Care Business Partnership (MCCBP) considered ways in which the business community could play a leadership role in developing child care solutions for their employees and the larger community. Several MCCBP members held pilot activities, in the form of regional business breakfasts, to test this mechanism for beginning regional partnerships around child care.

The conclusion of the principal organizers of the three business breakfasts is that events such as the business breakfast can play a useful role in bringing together public and private partners. However, they will be most effective in producing new child care resources and options if they are part of a comprehensive regional plan in which the business breakfast is preceded by a period of relationship building and is followed by a concrete action plan. In all stages, the availability of adequate staff to support these activities is an issue that should be realistically addressed.

Opportunities to build on the lessons of the pilot events will be forthcoming. Following submission of the report of the MCCBP, the State will be soliciting proposals for local initiatives to bring together public and private stakeholders to develop child care resources and solutions. A call for proposals, to be issued in mid-summer, will provide details about this funding opportunity.

It is the hope of the members of the MCCBP that their considerations and lessons of the three pilot business breakfasts will help localities develop ideas and partnerships to respond to this opportunity.

Like consumers of child care, employers need greater access to information regarding child care resources so that they can determine their role in addressing the child care concerns of employees. If you would like information regarding the Maryland Child Care Business Partnership, please contact Linda Heisner, Executive Director, Child Care Administration, 311 W. Saratoga Street, Baltimore, MD 21201 or lheisner@dhr.state.md.us.

Maryland Child Care Business Partnership

The Maryland Child Care Business Partnership (MCCBP) was established in October 1998 by Governor Parris N. Glendening to bring together leaders from the public and private sectors to address the child care needs of limited income working families in Maryland. The Governor's Executive Order and a list of the members of the Partnership are contained in the appendix.

Maryland is acknowledged as one of the longstanding leaders in the provision of high quality child care to its citizens. Nonetheless, there are concerns that not all parents have access to high quality, affordable child care. This is especially true for parents earning low wages and those making the transition from welfare to work.

Governor Glendening charged the members of the MCCBP with assessing the child care needs of low-wage working families, reviewing innovative strategies to meet these needs, and recommending ways in which Maryland might proceed to adapt and implement these strategies to meet the State's needs. This report reviews steps the Partnership has taken to meet this charge, first by examining current needs and resources and identifying promising practices (as reported in the preliminary report of the Partnership), and then by bringing together concerned businesspeople with county officials and child care experts in their communities to begin to develop local strategies to meet local needs.

Following the lead of a national business group focused on low-wage workers, we use the terms "low-income," "limited income," and "low-wage workers" to mean workers whose annual take-home pay puts them in the bottom quartile of Maryland workers. This income range covers families from the poorest workers, such as those leaving welfare and earning an average of $6.50 an hour to those earning up to $25,000 a year. As will be discussed below, child care solutions that are useful to middleclass workers may not be accessible to low-wage workers. Likewise, solutions that work for families in the upper range of the low-income group may be out of reach to the poorest of the working poor.

The Demographics of Child Care in Maryland

The child care delivery system in Maryland, as elsewhere in the United States, consists of a complex array of services, some regulated and some not, that have emerged over the past five decades as mothers increasingly entered the workforce. The child care delivery system includes family child care providers, child care centers and group programs, informal care (relatives, friends, neighbors), parental care ("tag team" parenting), before and after school care, Head Start, kindergarten, and the Extended Elementary Education Program (EEEP). Except for children in self-care ("latch key" children), these child care arrangements are called on to care for the 542,420 Maryland children under age twelve, of all income groups, who require care while their parents are at work. See Table 1 for the capacity of programs in Maryland's child care delivery system.

Table 1

Children's Programs by Type with Capacity/Enrollment

Type of Program	Number of Programs	Capacity
Family Child Care Providers	12,122	80,816
* CCA Licensed Group Programs	2,265	119,731
8 - 12 Hour Child Care Centers	1,258	74,588
Infant/Toddler	359	4,438
Part-Day	482	N/A
Before/After School (school & center-based)	1,459	N/A
Small Centers	76	N/A
Employer-Sponsored Centers	34	5,517
Youth Camps	313	N/A
Nursery Schools	386	N/A
Kindergarten	376	N/A
**Head Start	216	enrollment: 9,477
***EEEP	275	participants: 11,000

** NOTE: Numbers do not total because facilities may have more than one type of program. Unless otherwise indicated, all programs are privately funded.*
*** = federally funded *** = state funded*

Source: MCC/LOCATE, 7/98; Child Care Administration/Maryland State Department of Human Resources (CCA); Maryland State Department of Education (MSDE).

Reprinted from *Child Care Demographics: 1999 Maryland Report*, Maryland Committee for Children

Finding and evaluating child care is challenging for all parents. This is particularly true for limited income parents who must deal with additional constraints, primarily cost barriers and the mismatch of schedules between most child care services and the fluctuating hours of many low-wage jobs.

Cost, Non-standard Work Hours, and Other Barriers to Child Care for Low-income Families

Child care is a labor-intensive service and, despite very low salaries for providers, high quality child care does not come cheap. The average weekly cost of full-time child care in Maryland is $106 for an infant in a family child care home; $98 for a preschooler in center-based care. The cost of placing two children, an infant and a preschooler, in licensed care in Baltimore City was approximately $9,589 in 1998.

Table 2

Average Weekly Cost of Full-Time Child Care

Maryland:

	Family Child Care Programs	Child Care Centers
0 - 2 yrs.	$106.04	$158.92
2 - 5 yrs.	$89.71	$97.93
School-Age*:	$82.66	$91.58

Source: MCC/Locate, 7/98

** Family child care provider, center or school-based settings for school age children licensed by Child Care Administration, programs offered before and / or after school hours and during school holidays and vacation.*

Reprinted from *Child Care Demographics: 1999 Maryland Report*, Maryland Committee for Children

Recent data indicate that people moving from welfare to work in Maryland are earning an average of $6.50 an hour, or $260 a week ($13,520 a year). Clearly, these workers cannot purchase licensed care without assistance.

Scheduling barriers also constrain the child care options of limited-income and entry-level workers. Many entry-level and low-wage jobs involve evening hours, shift work, and/or rotating schedules. Data from the 1990 National Child Care Survey indicate that, nationwide, one-third of working-poor mothers (incomes below poverty) and more than one-fourth of working class mothers (incomes above poverty but below $25,000) worked weekends. Almost half of working-poor parents worked on a rotating or changing schedule.[1]

However, in Maryland, less than 10 percent of caregivers are licensed to offer evening or overnight service. Parents often deal with this mismatch by seeking informal care from relatives, friends, or neighbors. These arrangements are fragile and more prone to breaking down than other types of care. Low-wage workers using informal care express less satisfaction with their care than do limited income families using other forms of care. Furthermore, low-income families have greater reliance on multiple arrangements than do families with greater financial resources.[2]

In addition to cost and scheduling barriers, transportation difficulties constrain child care choices for low-wage workers. Many low-wage workers do not own a car and must rely on public transportation. This further limits their choices as they must find care that is accessible by public transportation and preferably located on the same commuting trajectory as their place of employment. Parents in rural areas face related challenges involving the general absence of public transportation and the distances between home, workplace, and child care facilities.

How Many Families in Maryland are Affected?

Income statistics for Maryland indicate that a large number of families are affected by the constraints outlined above. In 1990, there were 41,698 children under age five in families living below the poverty level in Maryland. That number had risen to 51,752 in 1995, according to U.S. Census Bureau estimates. The total number of children under age eighteen living below the poverty level in Maryland in 1995 was estimated at 171,746. Furthermore, many additional children live in families with incomes above poverty, but still constrained by limited financial resources. The distribution of households according to their median household effective buying income (EBI) indicates that more than one-quarter of Maryland households live on less than $25,000 a year.

Table 3

Family Income

Median Family Household Income (1989): $ 45,034

Source: U.S. Bureau of the Census, 1990 Census. Prepared by MCP, April 1992 based on STF 3A. Measurements of income are based on income received from the previous year.

Median Household Effective Buying Income (EBI): $ 40,543

EBI Distribution	Percent Households
under $15,000	14.3%
$15,000 - $24,999	13.4%
$25,000 - $49,999	34.8%
$50,000 - $74,999	23.1%
$75,000+	14.4%

Source: Reprinted by permission. Copyright © Market Statistics, 1997. Demographics USA-County Ed. Median Household Effective Buying Income (EBI) is not directly comparable to 1997 or earlier reports.

Reprinted from *Child Care Demographics: 1999 Maryland Report*, Maryland Committee for Children

As the Family Investment Program (Maryland's welfare reform initiative) and the strong economy bring more parents of young children into entry-level positions and the low-wage labor force, the need for child care is increasing. The question is how to provide that care so that it sustains employment and nurtures the next generation of citizens.

Programs in Place in Maryland

Maryland currently has in place a number of programs designed to help limited income families gain access to high quality care – the Purchase of Care subsidy program (POC), Head Start, and the Early Elementary Education Program (EEEP). Although there are some "wrap-around" programs and all-day pilot programs associated with Head Start and EEEP, these are essentially half-day, enrichment programs designed as interventions to ensure the school readiness of children at risk of not receiving the pre-school experience necessary to be ready to learn in kindergarten and first grade.

The POC program, Maryland's child care subsidy program, helps low-income families pay for care. Eligibility is determined by income. POC, funded by federal and State general funds, gives an eligible family a voucher for each child needing care. Some families receive vouchers for the full cost of care, but most families must contribute a co-payment of up to 43 percent of the cost for the first child and 33 percent for the second child. The income limit for a partial subsidy for a family of three is $25,140. To be eligible for a full subsidy, a family must be receiving Temporary Cash Assistance or Supplemental Security Income.

In addition to State programs, county-level programs can assist limited income parents. Montgomery County's Working Parents Assistance Program (WPA), a public-private collaboration, is one county's commitment to help working families striving for self-sufficiency. This program provides child care subsidies to families on the POC waiting list, when there is one, and to working families whose incomes exceed the POC guidelines. Currently, WPA is serving more than 1,000 children per month.

Besides financial assistance, all parents in Maryland have access to free child care information and referral through the Maryland Child Care Resource Network's thirteen regional child care resource centers (CCRCs). CCRCs provide guidance on locating and selecting child care and advise families about any child care subsidy or other assistance program for which they may be eligible. This is one avenue through which POC-eligible families can learn about the subsidy program.

Resources of another kind – financing for the development, expansion, and enhancement of child care facilities—are available from the Department of Business and Economic Development. These programs offer loan guarantees that make it possible for

organizations that could not secure loans independently to have access to commercial lenders. Day care financing programs are an important element in maintaining an adequate supply of high quality care in the state.

In addition to publicly funded programs, private businesses are making contributions to meeting the child care needs of Maryland's families. Business responses include:

- offering Dependent Care Assistance Plans which allow all workers, regardless of income level, to pay for child care with pre-tax dollars;
- providing on-site child care at the workplace;
- offering flexible work options, such as telecommuting and flexible work hours;
- subsidizing care in off-site centers by arranging registration and tuition discounts; and
- providing access to resource and referral services.

While these corporate programs have been popular with many employees, employers recognize that their impact on low-wage employees has been slight. Low-wage workers are frequently not able to use the company's on-site child care center or other child care arrangements due to their cost or to schedule mismatches. To a large extent, the first wave of employer assistance programs assumed participation in a segment of the child care system that was out-of-reach or otherwise inappropriate (e.g. not in operation during non-traditional work hours) for many low-wage workers. In response to this, concerned employers are looking for ways to assist low-wage and shift-work employees.

Promising Practices

Several research organizations have focused attention on the child care needs of low-income workers. The Families and Work Institute, a non-profit research organization, convened the Employer Group, which is composed of about twenty national companies that employ large numbers of low-wage, entry-level, or hourly workers. The Group is interested in addressing the work-family needs, especially the child care needs, of the low-wage segment of the workforce.

The Employer Group includes businesses from five types of industries: hotel and hospitality, food service, retailing, manufacturing, and administrative support at financial institutions and insurance companies. Their low-wage workforces represent a great diversity of education and skill levels, age, minority status, family composition, national origin, job histories, and welfare experiences. As noted above, the Employer Group defines "low-wage" as take-home pay in the bottom quartile of American workers (below $25,000 or $28,000, depending on definition).

The Employer Group concluded its preliminary efforts by issuing a statement of key findings and suggested actions. These offer useful direction for groups such as the MCCBP and are included in the appendix. The Employer Group's finding and suggested action on child care were:

Finding: Options for affordable, safe and high quality child care are vital for our employees and their children. Such care comes in many different forms: child care centers in their communities or on-site at companies, family child care arrangements, care by a relative or friend or care by parents who work different shifts so that there is always a parent at home. There are no easy fixes. Sometimes it is assumed that on-site child care is an appropriate solution, but that does not always work for everyone. As employers, we must recognize that parents make these choices for many reasons. We can devise ways to support their choices that enable them to do their jobs and support their families, knowing that their children are well cared for while they are at work.

Action: There are many ways we can help employees in low-wage jobs to ensure that their children are in quality, affordable care while they are at work. We can offer resource and referral services in multiple languages that have a variety of options; we can support programs that provide education and training for family child care providers and others in the community; we can institute DCAPs (Dependent Care Assistance Programs) that allow employees to pay for care with pre-tax dollars; we can develop on-site or near-site centers that have affordable fees or sliding scales so that they are an option for all of our employees; we can help them access public subsidies; we can develop flexible schedules that take into account people's child care needs; we can work with our employees to determine the best possible options.[3]

Some of the most promising efforts, undertaken by businesses around the nation, to help families across all income levels evaluate and pay for child care are reviewed below. Many of these acknowledge the financial burden posed by child care costs; they offer sliding scale fees or partial subsidies for care. Although these solutions – designed for middle class families – may not entirely meet the needs of low-wage workers, they offer a starting point for addressing the child care needs of limited income families. What is needed, in most cases, is a way to build on these child care solutions in order to make them available *at minimal cost* to low-wage workers.

The following overview of promising practices draws largely from a recent review of best practices conducted by the Families and Work Institute (and disseminated in a U.S. Treasury report) and a report on best practices in child care issued in 1998 by the U.S. Department of Labor.[4]

<u>Child Care Resource and Referral</u>

Child care resource and referral can serve two special functions for low-wage workers. First, it can provide information about available public and private subsidies for child care. National reports indicate that many low-wage workers are unaware of the subsidy programs available to them.[5] This may be less of a problem in Maryland than elsewhere since the Maryland Child Care Resource Network has been offering free resource and referral services (LOCATE) for a decade and has recently expanded to thirteen regional child care resource centers (CCRCs).

Second, CCRCs can help bring together multiple employers in a region to jointly address the needs of their workers and/or the community at large. Such consortiums open more possibilities for small and medium size employers and for those in rural areas.
In addition, where insufficient supply of child care is identified as a problem – as is the case with infant care and school age care throughout Maryland – CCRCs can work with local businesses to facilitate development of new facilities and/or training of child care professionals. This was the case in Fayetteville, Arkansas where a CCRC, funded by Levi Strauss, worked to increase the supply of infant care for Spanish-speaking families.

Flexible Workplace Policies

The workplace has undoubtedly become more family-friendly in the past decade. Employers have instituted changes that help workers achieve a better balance between work and family life. These policy changes help businesses retain valued employees, reduce costs for hiring and training, reduce absenteeism and tardiness, and improve productivity. However, changes in workplace policy have primarily benefited white collar and upper-tier workers whose jobs allow them to telecommute, compress their work week, or use flex time or unpaid parental leave. Many of these options are irrelevant to shift workers, service personnel, etc. And, as noted elsewhere, company owned or subsidized child care options may be too expensive for limited income families.

Employers of low-wage workers know that workplace culture is important to the well-being of *all* employees. Employers witness the stress experienced by low-wage workers as they attempt to balance work and child rearing with limited resources. This is seen in turnover rates among low-wage workers, as well as in drop-out rates in job training programs. Businesses are looking for innovative solutions to this problem, such as the one that emerged from a computer training center for people entering or re-entering the workforce in Arnold, Missouri.

The Computer and Business Institute in Arnold has only three full-time workers, six or seven part-time workers and approximately fifty students. Under its "old" structured class schedule, many students with family responsibilities were missing class and ultimately dropping out. So, the co-owners instituted a flextime program for staff and students. Now, they can complete their class work in any six hours between 8 a.m. and 4 p.m. If a student needs to miss class entirely to care for a sick child, the time can be made up over the course of the next month. The program has been very successful in helping students balance their family responsibilities and career goals.

This is the kind of program the Employer Group was referring to in its finding about job flexibility. *Employers reported that what employees request the most is some degree of flexibility* that will allow them to meet the demands of work and family. They recommended that employers re-think how they organize jobs in order to give workers some control over the schedule of their work days.

Public-Private Partnerships

Several of the most promising – and large-scale – developments in the provision of child care have taken place under the auspices of public-private partnerships. In both Colorado

and North Carolina, statewide initiatives have been designed to address child care needs by bringing together the resources of government, business, and local communities.

North Carolina has one of the nation's most ambitious programs to provide high quality, affordable child care (as well as access to health care and other support services) to every child. In each participating county, public and private sector leaders work together to assess needs, develop a plan to meet them, and provide joint funding for needed early childhood services, including child care. This initiative, called Smart Start, is funded by a public-private match in which the state appropriates 90 percent of the funds which are matched by 10 percent from private sources. Thirty percent of Smart Start funds are used to help families purchase child care.

In Colorado, Governor Roy Romer appointed corporate leaders to the Colorado Business Commission on Child Care Financing. In consultation with other stakeholders, the business leaders developed a long-range plan for early education. Acting on the Commission's recommendations, the Colorado legislature established a permanent Commission to work on implementing reforms, including the establishment of a multi-bank community development corporation to provide loans and other financial assistance to child care providers. The legislature has also passed several bills to provide more financial support for early care and education.

In Florida, government and business leaders joined together to pass legislation designed to encourage public-private partnerships to support child care services. In fiscal year 1997-98, the legislature allocated $4 million for the program which provides a dollar for dollar match for private funds contributed to a child care fund. Employers can designate funds to help their own employees purchase child care, or they can contribute to a general fund used to help purchase care for low-income families in their communities. More than $3 million has been raised from private sources so far.

Business and community leaders in Texas are working together, with support from the Child Care Work and Family Clearinghouse of the Texas Workforce Commission, to promote employer leadership on work and family issues, including child care. Clearinghouse grants of $5,000 have been awarded to a number of cities to assist them in establishing employer coalitions. Fledgling coalitions are being advised by three well established employer coalitions in Fort Worth, Houston, and San Antonio.[6]

Public-private partnerships are effective because they bring together the strengths of both sectors to address a mutual concern. The private sector is invaluable to the effort because it brings business expertise and resources. Business leaders can provide advice about management practices, tax issues, human resource policies, marketing, and other business practices, while helping to provide financial resources to expand the supply and improve the quality of child care available in the community. Government and non-profit partners can provide early childhood expertise and knowledge about available services and gaps in care. Inevitably, the needs assessments conducted by these partnerships will shed light on the particular needs of low-wage workers.

Public-private partnerships have a further advantage. They combine funding sources in a singularly complementary way. Private sources are willing and able to provide seed money for creative ventures and pilot programs but are rarely in the position to fund full implementation of large-scale programs. Government entities, on the other hand, often prefer to endorse programs with a solid track record, and, once on board, may be able to provide sufficient funding to expand the programs that provide low-income families with access to high quality child care.

Resource materials bearing on the development of public/private partnerships have been prepared by the Child Care Partnership Project. These materials include a fact sheet listing basic principles for creating and sustaining public-private partnerships.[7]

Closer to home, Downtown Baltimore Child Care, Inc., now almost twenty years old, is an outstanding example of a public (city of Baltimore)/ private (downtown employers) partnership pooling resources to provide high quality child care to workers in Baltimore. Major funding to develop two child care centers has come from corporate sources and from a day care financing program administered by the Maryland Department of Business and Economic Development.

Corporate Partnerships

Businesses, or business and labor organizations, can ban together on a local or regional basis to improve the availability, affordability, and quality of child care accessible to their employees and/or the general community.

In New York state, the United Auto Workers union, General Motors management, and other local employers banned together to respond to the needs of workers in the Buffalo area. They surveyed workers and found that unmet child care needs were a barrier to working overtime and a cause of missed shifts. In response, the partnership of management and labor, now called the Western New York Family Care Consortium, offers child care services that include:

- Before and after school care that opens its doors at 5:30 a.m., provides care on school holidays, and offers half-day care to kindergartners. Employees of Consortium member companies have priority in enrollment and pay reduced fees.
- An extended hours child care center near the work site for children six weeks old to twelve years old. The center meets the needs of second shift workers by staying open until 2 a.m. Again, employees of Consortium member companies have priority in enrollment and pay reduced fees.
- An emergency backup telephone network to connect parents with providers when their usual child care arrangements are interrupted.

The largest example of corporate partnership is the American Business Collaboration for Quality Dependent Care (ABC). The ABC is headed by twenty-two major corporations and involves almost 200 businesses, labor unions, government entities, and non-profit organizations. The ABC has invested almost $100 million to support child care and elder care programs in 68 communities since 1992.

Another type of business partnership is the Business-to-Business Mentoring Initiative on Child Care. This initiative, being implemented by the Women's Bureau of the U.S. Department of Labor, is designed to:

- promote awareness among industry leaders that affordable and safe child care is a top concern for families; and
- connect employers with effective child care programs with other employers considering child care options for their workers.

This approach is promising in that business mentors are in a good position to gain the confidence of other business leaders, make the business case for child care programs, and share their experiences in launching a business-based response to employees' child care needs. Employers with a predominance of low-wage workers will be able to learn from mentors employing a similar workforce.

Employer-funded Child Care Centers

A 1998 study estimates that there are more than 8,000 on-site child care centers at workplaces around the country.[8] Off-site centers, at appropriate locations in the community, are sponsored by a single company or partnership of local companies. These centers have been a wonderful child care solution for many families, providing convenient licensed care for their children. However, employers are beginning to see that these centers are not particularly helpful to low-wage workers unless their fees are highly subsidized or reduced and unless centers' schedules can accommodate the fluctuating and non-traditional working hours of many low-wage workers.

Some companies have recognized this and taken steps to meet their low-wage employee's needs. In Atlanta, members of the hospitality industry – Marriott Marquis, Marriott Suites Midtown, the Omni, the Hyatt Regency Atlanta, and the Atlanta Hilton – came together to address the needs of the hourly-wage employees in Atlanta's service industry. They created Atlanta's Inn for Children, a child care center serving 250 children, that is open weekdays until midnight and also open on Saturday. It is noteworthy that the original plan was to offer center-based care 24 hours a day, seven days a week, but there was not sufficient demand for the third-shift care. Perhaps the reason is that, although many families receive subsidies for the care, it is not free; and many families have someone at home during the third shift who can provide care.

Elsewhere, members of the hospitality industry have recognized the need to help low-wage workers – housekeepers, cooks, bartenders, waiters, bell people, and food service workers who work a variety of shifts, seven days a week – pay for off-site child care. In California, the Hotel Employees and Restaurant Employees Union Local 2 and the San Francisco Union Hotels negotiated the Child/Elder Care Plan. Under this agreement,

employers contribute fifteen cents for every qualified-employee hour worked, and union members receive reimbursements for four kinds of care:

- newborn care ($125 per month);
- child care for children ages one to fourteen ($60 to $100 per month);
- subsidies for youth programs such as after school care and summer camp; and
- elder care.

There are limited slots in each category, and requests are taken on a first-come, first-serve basis. In addition, free counseling and referral services are available twenty-four hours a day, seven days a week.

In Flint, Michigan, the UAW-GM Child Development Center, a joint labor/management initiative, provides full-day care for children from infancy through age 13, on a 24 hour a day, six day a week schedule. After-school care is provided for children from twenty-six local elementary schools. The center strives to provide excellent care with lower staff to child ratios than the state requires and staff benefits that encourage professional development and low staff turnover. The center serves 14 GM plants and is licensed for 240 children. A separate summer camp program serves school-age children.

In New York, a labor union for health care workers joined with multiple employers to create an employer-funded Child Care Fund that is used to fully or partially reimburse workers for various child care services, including full-day care, school-age care, etc. The program currently serves 6,500 children from birth to seventeen years of age.

In the low-income area of Central Washington state, an apple packing cooperative, Trout-Blue Chelan, Inc., has established a low-cost child care option for its employees (two-thirds of whom are women) who work in its warehouse, many packing apples for $7.15 an hour. The company subsidizes an on-site child care center that is open whenever the warehouse is open – fluctuating hours that depend on the daily flow of produce. Parents pay $11 per day for child care, regardless of whether they work eight or ten hours, although there is an hourly rate for part-days. The company views this as a reasonable business expense, necessary to maintain a reliable workforce and get its perishable product to market.

Many other companies have responded to their employees' needs by offering reduced fees to moderate and low-income families at company run or subsidized child care facilities. However, the poorest families cannot afford even these reduced-fee services. For them, fully subsidized care, such as a program in Hawaii, is required. This program is an exception to the general trend to assist low-income parents by improving their access to the market-based child care delivery system. The Honolulu program was created specifically to meet the need of very low-income parents trying to gain self-sufficiency. Although businesses have not figured prominently in the Honolulu program, business leaders in Maryland could offer their resources to encourage and support similar programs here.

The city and county of Honolulu established ten neighborhood child care programs at county park facilities. Through the innovative use of county park facilities and

personnel, and by partnering with Head Start and other community organizations, the county has been able to offer these new child care services free or at affordable rates. The Child Care in the Parks program is designed to provide the early education children need for optimal brain development as well as the child care and family support services parents need to become economically self-sufficient. At full capacity, the program will serve 359 children. At six of the sites, at least half of the children are from economically disadvantaged families.

The solutions reviewed above show that in situations involving child care for non-standard hours or families in a rural area, it may be most cost effective for a group of employers to join together in a consortium or for all stakeholders in a community to do so. There is some evidence, however, that even large employers and consortiums have difficulty maintaining enrollment sufficient to warrant 24-hour programs.

Backup/Sick Child Care

A problem for all parents and employers, the collapse of a regular child care arrangement is especially troubling for those in many low-wage industries where precise attendance is a critical success factor for many service or shift jobs. Furthermore, to the extent that low-wage workers rely on informal care (relatives and friends, often unpaid), they are likely to experience more frequent interruptions in care than more affluent families.

Several companies, notably New York Life, Eli Lilly, DuPont, and the National Bureau of Standards, have made provisions for their employees to have reduced-fee access to back-up child care. Texas Instruments, Inc. has a program of care for mildly ill children through which the company subsidizes 75 percent of the cost of a home health care worker to care for an ill child. The city of Mesa, Arizona has a similar program in which the city subsidizes $12 per hour for home health care and the parent contributes $2 per hour. The city of Seattle fully subsidizes up to $300 per year per employee for this service.

As noted earlier, however, unless these arrangements are tailored to the particular needs of low-wage workers, they will not be useful to them. A $2 an hour solution is not likely to be seized upon by a $5.15 an hour worker.

School-age Care

Along with infant care, school-age care is one of the greatest unmet needs in Maryland's child care delivery system. Children from limited income families, and especially those from distressed neighborhoods, can benefit from the extra adult supervision, learning time, and enrichment of before and after school care. Although many corporate child care centers provide school-age care, availability and affordability limit access for children from limited income families. Currently, in

Maryland, most after-school care, like infant care, is provided by family child care providers. There is, however, ample opportunity for businesses to support school-age child care by encouraging the development or expansion of programs at community institutions such as schools and community centers and by subsidizing care for employees.

The Business Case for Involvement in Child Care

In considering private investments in child care, the Partnership examined the business case for making this contribution to the well being of employees and their families. As articulated by the Families and Work Institute in collaboration with concerned businesses, the central points of the business case are:

- Reliable, high quality child care reduces worker stress and absenteeism, which, in turn, improves productivity.
- Child care assistance and other supportive workplace policies enhance worker satisfaction, commitment, and discretionary effort on the job. In many industries, low-wage workers handle all contact with the public, and workers who feel valued and supported have been linked to higher levels of customer satisfaction.
- Children who benefit from high quality care in early childhood will be more successful in school and will provide a more competent workforce for the future.[9]

Business leaders can play an important role by opening discussions with other employers in their communities about the needs of low-wage workers and the benefits to companies of helping workers meet these needs. The statement of the Employer Group, included here in the appendix, is a useful starting point for discussion of workplace issues, including child care, as they affect low-wage workers.

As our review of promising practices indicates, many employers now provide some financial assistance for child care. For low-wage workers, the question is *how much* assistance is necessary to provide access to quality child care. For limited income families, it may be that only a full or near-full subsidy will bring their children into the arena of high quality, regulated care.

Role of the Business Community

Our review indicates that Maryland has a strong foundation on which to build. We have a solid public subsidy program; we have significant business involvement in child care concerns; and we have statewide mechanisms for childcare resource and referral and for training of child care providers. This infrastructure has the potential to make high quality child care available to all of the State's children. The MCCBP has concerned itself with the question of how businesses can capitalize on this infrastructure to help stimulate

appropriate community responses to child care needs, especially those of limited income families.

In attempting to answer this question, members of the Partnership redirected their focus from the state level to the local communities of which their companies are a part. Members were aware that while some employers in each community are eager to assist their employees with work/life issues, such as child care, others have been hesitant to enter this arena. These employers may fear that they will be asked to contribute more than they can afford, or they may believe there are no feasible options for companies of their size, location, or hours of operation.

The question became: how to draw these apprehensive businesses (and others) into a local conversation about child care. The Partnership approached this task with the belief that more widespread business involvement would benefit not only the employees and the community but also the companies.

The MCCBP members soon arrived at a consensus that a business-to-business approach was the best means by which to allay the concerns of businesses and engage more employers in the task of crafting local solutions to child care problems. The format of a business breakfast was used to bring employers, representatives of local government, and child care experts together. The MCCBP was a sponsor of three business breakfast roundtables.

MCCBP members representing Branch Electric Supply Company and Calvert Memorial Hospital decided to organize a breakfast around a business region that crosses jurisdictional boundaries. Defined as the Route 301 Corridor, this region includes parts of Prince George's, Calvert, Charles, and St. Mary's Counties. The effort was co-sponsored by the MCCBP, the Chambers of Commerce in the four jurisdictions, and the child care resource centers serving Prince George's County and Southern Maryland.

In Howard County, the Child Care Resource Center (an agency of county government) took the lead, taking as partners the Howard County Chamber of Commerce, Maryland Committee for Children, and the MCCBP.

In Montgomery County, the Montgomery County Child Care Resource Center and the Montgomery Work/Life Alliance took the lead in close partnership with Marriott Corp, the Chamber of Commerce, and the MCCBP.

For each of these events, the goal was to create an on-going partnership of stakeholders – businesses, local government, and the child care community – around child care concerns. MCCBP members believe that the best solutions will be derived when local coalitions study local needs to arrive at locally-appropriate solutions. Also, it is clear that the best solutions will be found when all stakeholders are involved and contributing their diverse resources and knowledge.

With all these stakeholders participating, it was the hope of MCCBP members that the business breakfasts would:

- be the vehicle for jump-starting local conversations about local needs and feasible responses;
- bring together businesses with similar needs and spark the creativity required to envision solutions; and
- encourage the beginning of local coalition-building and planning, thereby preparing communities to respond to a funding opportunity to be presented by the State as the follow-on to this Executive Order.

The Stakeholders

As noted above, the goal of the business breakfasts was to bring all the critical stakeholders into the conversation about local child care needs. These stakeholders included the business community, local Chambers of Commerce, regional child care resource centers and county government. The events were designed to:

- Get more businesses involved and knowledgeable about child care concerns. The business breakfast would serve to help business people meet other business people in their locality who had similar concerns about workforce development and related child care issues. The breakfast gathering would allow the host businesses to deliver a business-to-business message about the role of child care solutions in employee recruitment and retention. The presentations would make the point that addressing these concerns is not just an act of altruism; it is also good for the bottom line. In addition, business would have the opportunity to see that other businesses are taking steps to address child care solutions and that no business has to go it alone.

- Engage the local Chambers of Commerce in the outreach to the business community. Clearly, the Chamber is a trusted entity in the business community. Chamber involvement in an event would be an enticement and reassurance to businesses, many of them members of the Chamber. In addition, the Chamber could provide practical assistance, such as the use of its mailing list. By co-sponsoring a business breakfast, the Chamber would provide an important entrée to the business community.

- Introduce the CCRC as a resource in the community that can help the business coalition realize its goals, not as an organization coming to business to ask for funding. The CCRC brings child care expertise and services that would be needed to inform the considerations of the group and to support and follow through as the group coalesces and develops a plan of action.

  To make this point, the agenda would include a presentation from the CCRC explaining LOCATE, a resource and referral service, available to employees immediately at no charge. In addition, the Employers Tool Kit would be distributed and discussed in order to illustrate how the CCRC stands ready to assist businesses.

- Engage county government in child care concerns. Until recently, there has been very little direct involvement on the part of county agencies in child care concerns.

Most funding and program development has been on the state level. However, county government is too big a player to be left out of the effort to develop local responses to child care needs. County government has important resources, capabilities, and institutional knowledge, as well as a long-term commitment to the welfare of the community. Many local government entities such as the local management board (LMB), the local economic development board, the community college, or the CCRC (which may be government affiliated) can take the lead in bringing local government into talks about child care concerns. The involvement of local government is critical as the state moves to shift planning and resource development for child care to the local level.

Description of the Business Breakfasts

The concept for the business breakfast was the same in all three localities, but, in each case, the implementation varied somewhat.

Route 301 Corridor

The Route 301 Corridor business breakfast was held on February 3, 2000, with Branch Electric Supply Company issuing the invitation and hosting the event at its headquarters in Upper Marlboro. Calvert Memorial Hospital was a co-sponsor. Branch Electric was motivated to get involved in the MCCBP and to host this gathering because it has workforce issues related to child care for sick children, after-school care, care during non-traditional hours, such as 5 a.m. to midnight, and holiday care. On-site child care is not an option since it has 29 sites with the number of employees ranging from 3 to 225 per site. Branch Electric was also experiencing recruitment difficulties among entry-level workers who could not afford child care. The director of Human Resources at Branch Electric believed that solutions to these problems were beyond the scope of a single company and were possible only through inter-business collaborations and the involvement of the public sector.

The program began with a welcome from the CEO of Branch Electric, the business host. The Secretary of the Maryland Department of Human Resources spoke of the unmet needs in child care and the impact on families and on business. The centerpiece of the agenda was the presentation, by the Human Resource Departments of Branch Electric and Calvert Memorial Hospital, entitled WIIFM? (What's In It for Me?) The presentation focused on the business case for involvement in child care solutions. This was followed by presentations on resources available in the CCRCs to assist businesses, particularly the Tool Kit and LOCATE. The Executive Director of Maryland's Child Care Administration wrapped up the event by urging those present to think about how they could take advantage of the funds which the State will soon make available to public/private partnerships for the purpose of developing child care resources, especially for low-wage workers.

Invitations were mailed to approximately 1000 businesses located along the Route 301 corridor. These were selected from the mailing lists of Chambers of Commerce. The meeting was well attended with 60 people present representing businesses, mostly from

Prince George's County, and non-profit organizations that have an interest in work/life issues.

The Prince George's CCRC took the lead in following-up after the breakfast by calling each business that was represented in an effort to more specifically identify individual needs and concerns before trying to bring like-minded businesses together.

Howard County

The Howard County business breakfast was held on May 18, 2000, with the Howard County CCRC as the lead organizer, working in close partnership with the Chamber of Commerce and the Maryland Committee for Children. The Howard County CCRC is an agency of the county government, and invitations to the breakfast were issued by the County Executive. The invitation, which noted the involvement of both the local Chamber of Commerce and the MCCBP, focused on child care as a workforce issue.

The event began with a welcome from the County Executive, who spoke about the problem posed by child care to businesses throughout the County. The executive director of Maryland's Child Care Administration asked business representatives to help the State plan for child care that meets the needs of businesses with special attention to the needs of low-income families and the need for sick and emergency care. She urged businesses to form community collaborations to respond to upcoming funding opportunities for child care resource development.

At the heart of the agenda, were three success stories:

- development of a state-of-the-art child care center at the Howard Community College;
- a "summers off" option for bank tellers with school age children at the Columbia Bank; and
- the child care business collaboration at the Chesapeake Bay Industrial Park.

The Columbia Bank case was clearly of great interest to the business audience because it was ingenious (using summer interns to replace tellers), had little or no associated cost, and had tremendous recruitment and retention potential.

Speakers from the business community were followed by CCRC staff who gave an overview of their agency and its offerings, stressing the free resource and referral services available through LOCATE and the Employer Tool Kit. The final speaker was the Chamber of Commerce's Director of Governmental Affairs and Special Projects. She stressed the fact that the Chamber is available to help businesses with work force development issues. In addition, she reminded the group that the Chamber is an advocate for public/private and private/private partnerships.

Invitations to the Howard County business breakfast were mailed to about 600 businesses using the mailing list of the Howard County Economic Development Authority and the Baltimore/Washington Corridor Chambers of Commerce. The Howard County Chamber of Commerce put a notice in its newsletter and sent an e-mail to all members. These

direct communications were reinforced with articles in two local newspapers, the Howard County Flyer/Times and the Howard County Business Monthly.

The breakfast was well attended with approximately 75 people present. Twenty-five businesses were represented. Each person present received a packet which included a follow-up questionnaire asking attendees to indicate additional activities they might be interested in, e.g. one-on-one consultation, Employer Tool Kit review, employee survey assistance, etc. All respondents checked at least one activity. Since the Howard County CCRC has a business outreach coordinator, it will be able to follow up by working with each company on its current concerns and building relationships to facilitate follow-on initiatives.

Montgomery County

The Montgomery County business breakfast was held on June 1, 2000, with the Montgomery County CCRC, as the lead organizer, working in close partnership with Marriott Corporation and the Montgomery Work/Life Alliance. Rather than coming from a single person or organization, the invitation was extended by the Maryland Child Care Business Partnership and Montgomery County Partners. The logos of sponsoring businesses were printed on the invitation. The agenda for the breakfast, held at Marriott corporate headquarters, included employee retention, morale and productivity, along with information on grants and free child care resources. The organizers hired a professional event planner to do much of the work for this event.

The program was moderated by a representative of Hewlett Packard and guests were welcomed by the Vice President for Diversity and Workplace Effectiveness at Marriott International, Inc. The steps Marriott has taken to respond to the work/life issues of its wage employees, who make up 85 percent of its workforce were reviewed. Guests were reminded that hourly workers have different needs and financial constraints than salaried employees. Marriott's response to the needs of hourly workers includes the Associates' Resource Line, which provides one-stop assistance on a wide range of work/life issues, and The Inn for Children, a child care center in Atlanta – started by a collaboration of downtown hotels – which provides care during non-traditional hours suited to the needs of hospitality workers.

At the heart of the agenda, as at the Howard County event, were success stories from businesses such as:

- Hewlett Packard's strong commitment to work/life balance, especially dependent care.
- Marriott's longstanding leadership in addressing the needs of hourly-wage workers. Building on its experience with Atlanta's Inn for Children, Marriott is entering into a new venture, a partnership with the federal and D.C. governments to build a new child care center in downtown Washington, D.C.
- The Gazette Newspapers' track record of comprehensive work/life programs and options. With 500 employees throughout the Washington area, Gazette Newspapers has an extensive array of child care supports for employees, including discounts with licensed providers. They have provisions for full- and part-time care, flextime,

emergency care, and before- and after-school programs. Employees with sick children may work at home on a company-owned laptop computer.

- Century Pools commitment to a "humane" workplace that helps it attract and retain employees by providing work/life supports and permitting flexibility in balancing work and family obligations.

Following these presentations, representatives from the public sector and non-profit organizations spoke. Business representatives were encouraged to form collaborations with local or state agencies and the child care community to address their child care needs, and to take advantage of the funding that will be available to communities to develop innovative solutions through collaboration.

The Montgomery Work/Life Alliance told the gathering that 70 percent of new college graduates named work/life balance as a top issue in job selection. The Montgomery County CCRC offered to be a starting place for businesses concerned with child care needs and suggested that a free, easy first step was for all employers to publicize the availability of resource and referral services available through LOCATE.

Montgomery County organizers mailed about 400 invitations using the mailing lists of the Montgomery Work/Life Alliance, the Montgomery County Office of Economic Development, and the Montgomery County Chamber Work Force Corporation. Organizers made telephone calls to businesses and individuals to make sure the invitations were received. They targeted human resource personnel in small, medium, and large companies and sent a "Fax Sheet" to those who had not seen the invitation.

The event was well attended with approximately 50 people present, representing approximately 31 businesses. The meeting packet included a follow-up questionnaire that asked attendees what further information they might like, e.g. information on child care referral services, a review of options for employers, etc. The Montgomery County CCRC sent a thank you letter to each business represented and information related to their interests, as indicated on the questionnaires.

Lessons Learned from the Pilot Round of Business Breakfasts

In reviewing the business breakfasts and follow-up efforts, the principal organizers came to these conclusions/recommendations:

1. A business breakfast (or any similar gathering) will be most effective if it is undertaken as part of a comprehensive local plan to engage the business sector in child care concerns. This is true whether the organizing group is a business or a CCRC. Thus, a new collaboration just beginning to establish a core group to address child care might defer holding an event like a breakfast. It might first develop a comprehensive plan and lay a foundation of relationships among the chief stakeholders, as described below.

2. Pre-existing relationships, business to business and business to CCRC, are very important. Essentially, organizers were reporting that businesspeople tend not to attend an event if they have not heard of the organizers. Turnout and follow-through commitment will be greater if organizers lay the groundwork by developing relationships before launching a major event. In short, the invitation to the event should not be the equivalent of a "cold call."

3. The Chamber of Commerce is a central player in the business community. It will be very helpful to develop a good relationship with the Chamber, starting with its workforce development person, if there is one. Include the Chamber in the development of your comprehensive plan from the very beginning, so that when you are ready to launch an event like a business breakfast, the Chamber is an active partner. Two suggestions were offered for achieving a good relationship with the Chamber:
   -- approach the Chamber offering something (such as LOCATE services for its members' employees), not asking for something; and
   -- offer to contribute an article in its newsletter introducing your child care business collaboration or CCRC to its membership.

4. Local government is another powerful ally on the county level. Like the Chamber, local government can offer contacts, resources, and expertise.

5. Business response will be better if the invitation for an event comes from a major, known entity in the community, be it the county executive or a CEO. Having strong business sponsorship helps with business response as well.

6. It helps to have some local media coverage of child care and of your organization to help build legitimacy before you launch a round table or business breakfast. Some of your partners in business or government may have communication departments. Enlist them to assist in publicity in local newspapers, public access cable television, etc.

7. In the invitation and in the presentations, it is important to present the CCRC as a resource for business, stressing what is available, especially what is available *for free*. Businesses have become weary (and wary) of people arriving hat in hand.

8. On the topic of money, be sure to stress that there are child care supports that businesses can provide for employees at no extra cost to the company (LOCATE and flexible spending accounts, for instance). Try immediately to dispel the notion that employers' options are defined by a dichotomy of on-site care or nothing at all.

9. It takes time and money to hold an event. Note that Howard County had a designated business outreach coordinator to organize its breakfast and Montgomery County hired an event planner.

10. It takes time and staff resources to follow up and make something come of the event. It is best not to assume that the business (or even the partnership) that hosted the event has the staff resources or expertise to do the follow-up. Figure out in advance who will drive the child care agenda forward after the event.

11. Regional collaborations are fine, but be sure the region you define makes sense in terms of how businesses think and function. Our limited experience suggests that businesses see themselves as citizens of a fairly small area and will not readily participate in events or concerns that are not close to home.

12. In setting the agenda, be sure to include local success stories. They make the options real and add credibility. And be sure to include a small, medium, and large size business, so that everyone in the audience hears a success story to which he or she can relate.

13. An organizer from the business sector has this advice: "Remember that what makes something business driven is a business need." You will elicit more business interest if you include a focus on specific topics that address immediate needs, like sick child and emergency care.

14. Related to the previous advice, it is best to promote the event in terms of issues about which business is intensely concerned: an adequate work force (recruitment and retention) and the bottom-line (costs of labor shortages and retraining). Child care is a tool to help address these issues.

15. An alternative to a large business breakfast is a small gathering, consisting of five or six employers that are known to share a location, a non-traditional work schedule, or a vocation.

The conclusion of the principal organizers of the three business breakfasts is that events, such as the business breakfast, can play a useful role in bringing together public and private partners. However, they will be most effective in producing new child care resources and options if they are part of a comprehensive regional plan in which the business breakfast is preceded by a period of relationship building and is followed by a concrete action plan. In all stages, the availability of adequate staff to support these activities is an issue that should be realistically addressed.

In addition to holding business breakfasts, MCCBP members have been spokespeople in their communities on child care concerns. An MCCBP member from the Eastern Shore related an important lesson associated with that experience. He reported that after he began publicly speaking about child care resource development in his region, he discovered other local groups engaged in very similar pursuits. Based on his comments, there was a strong consensus among MCCBP members that steps should be taken to gather and share information about existing local initiatives. The statewide network of CCRCs will be a valuable resource for gathering and disseminating information.

such as the Work/Life Network of Maryland (a group consisting primarily of human resource professionals) and the Montgomery Work/Life Alliance (which includes business, government, and non-profit organizations). MCCBP members saw that these organizations can serve as clearinghouses and catalysts for work/life issues. They can also help with the task of raising public awareness about work/life issues, including awareness about the many benefits of affordable, quality child care.

Also related to the business community's need for information and networking around child care, the MCCBP partners were eager to see state agencies use their web sites to promote awareness of child care issues and to link people to other sites which provide information on best practices in child care.

Opportunities for Public Private Partnerships

Following submission of the report of the MCCBP, the state will be soliciting proposals for local initiatives to bring together public and private stakeholders to develop child care resources and solutions. A call for papers, to be issued in mid-summer, will provide details about this funding opportunity.

It is the hope of the members of the MCCBP that their considerations and lessons of the three pilot business breakfasts will help localities develop ideas and partnerships to respond to this opportunity.

Opportunities may also be available in association with an initiative sponsored by the National Governors' Association to build public and political support for early care and education programs. Maryland was one of five states selected to participate. As regional public/private partnerships evolve, there may be opportunities to participate in this initiative.

Employers talk about child care at breakfast roundtables

Appendix 1

Executive Order and Members
Maryland Child Care Business Partnership

Lynda G. Fox
Co-chairperson
MD Department of Human Resources

William G. Sykes
Co-chairperson
The Limited Inc.

Lindsay P. Conn
Montgomery Work/Life Alliance

Senator Ulysses Currie
Maryland State Senate

William Lee Denny
Bob Smith Automotive Group, Inc.

M. Carrie Forrest
Calvert Memorial Hospital

Robert E. Greene
Snelling Staffing Network

Roland Harris
IBM Global Services, Americas

Christyne G. Ivey
Ivey League Learning Center

Bonnie Kirkland
Governor's Office for Children, Youth, and Families

Deborah Knight-Kerr
The Johns Hopkins Hospital

Ira Kress
Giant Food

Susan Levering, Ph.D.
Branch Electric Supply Co.

Richard C. Mike Lewin
MD Department of Business and Economic Development

Delegate Mary Ann Love
Maryland House of Delegates

Thomas P. McNutt
UFCW Local 400

Deborah B. Moore
MD State Family Child Care Association

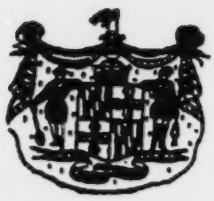
James R. O'Hair
Northrop Grumman Corporation

Deborah M. Shepard
Montgomery County Department of Health and Human Services

Honorable Jack Sims
Mayor, The City of District Heights

Sandra J. Skolnik
Maryland Committee for Children

Mary Sharkey Vineer
Hotel and Restaurant Employees, Local # 24



The State of Maryland

Executive Department

EXECUTIVE ORDER

01.01.1998.26

Maryland Child Care Business Partnership

WHEREAS, The demand for child care continues to increase as the number of Maryland children with parents in the workforce continues to grow;

WHEREAS, Whether a family is headed by a single parent or by two working parents, child care is an essential work support;

WHEREAS, High quality child care can have a substantially positive effect on the development of young children, preparing them for later success in school and in the workplace;

WHEREAS, Child care is unaffordable for many limited income working families for whom child care costs represent more than thirty percent of their wages;

WHEREAS, Child care is both a business and workforce issue that affects recruitment, productivity, turnover, absenteeism, tardiness and morale;

WHEREAS, Corporate and government leaders throughout the nation have begun to explore ways to collaborate in expanding and improving child care;

WHEREAS, The Maryland business community has made a commitment to child care through its ongoing support for the Maryland Child Care Resource Network;

WHEREAS, The education and well-being of Maryland's children must be at the forefront of our agenda; and

WHEREAS, The Department of Human Resources through its strategic planning process and operation of the State's child care subsidy program is poised to move this agenda forward.

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NOW, THEREFORE, I, PARRIS N. GLENDENING, GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VESTED IN ME BY THE CONSTITUTION AND THE LAWS OF MARYLAND, HEREBY PROCLAIM THE FOLLOWING ORDER, EFFECTIVE IMMEDIATELY:

A. Establishment. There is a Maryland Child Care Business Partnership.

B. Purpose. The Partnership shall advise the Secretary of Human Resources on strategies and resources to increase the availability of child care for limited income working families.

C. Scope. The Partnership shall:

(1) Assess child care needs of low-wage working families and identify resources currently available to meet those needs;

(2) Conduct a survey of innovative strategies that have been developed in Maryland and other states that successfully pool and maximize public and private sector resources to support child care for low-wage working families; and

(3) Develop a plan by which matching public funds will be made available through the Department of Human Resources for State and local initiatives that have employer and community support and that increase the availability of child care for low-wage workers.

D. Membership and Procedures.

(1) The Partnership shall consist of up to 23 members, including:

(a) The Secretary of Human Resources;

(b) The Secretary of Business and Economic Development;

(c) The Special Secretary for Children, Youth, and Families;

(d) A member of the Senate of Maryland appointed by the President;

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(e) A member of the House of Delegates appointed by the Speaker; and

(f) Up to 18 members appointed by the Governor to represent business, labor, government, the child care community and the general public.

(2) The Governor shall designate a business and a government representative of the Partnership to serve as Co-Chairperson.

(3) The Governor may remove any member of the Partnership for any cause adversely affecting the member's ability or willingness to perform the member's duties.

(4) In the event of a vacancy, the Governor shall appoint a successor.

(5) A majority of the Partnership shall constitute a quorum for the transaction of any business. The Partnership may adopt such other procedures as necessary to ensure the orderly transaction of business.

(6) The members of the Partnership may not receive any compensation for their services. Members may be reimbursed for reasonable expenses incurred in the performance of their duties, in accordance with the Standard State Travel Regulations and as provided in the State budget.

(7) Staff support for the Partnership shall be provided by the Department of Human Resources.

(8) The Partnership shall meet at times and in places designated by the Co-Chairpersons.

E. Submission of Plans. The Partnership shall develop a preliminary plan for making available public funds for child care resources by June 30, 1999 and a final plan by June 30, 2000.

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F. Termination. This Executive Order shall terminate and be of no effect after June 30, 2000.

GIVEN Under My Hand and the Great Seal of the State of Maryland, in the City of Annapolis, this 6th Day of October, 1998.

Parris N. Glendening
Governor

ATTEST:

John T. Willis
Secretary of State

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Appendix 2

THE EMPLOYER GROUP

November, 1998 Statement

INTRODUCTION

The mission of The Employer Group is to collect and share information on the work-family needs of low-wage and entry-level employees and employers' responses to those issues. By working collaboratively to encourage heightened awareness of work-family issues, employers will be able to attract and retain these important employees and help them to be fully productive at work.

The mission of the Employer Group is to collect and share information on the work-family needs of low-wage and entry-level employees and employers' responses to those issues. By working collaboratively to encourage heightened awareness of work-family issues, employers will be able to attract and retain these important employees and help them to be fully productive at work.

The Employer Group is composed of about twenty national companies that employ large numbers of low-wage, entry-level or hourly workers. The group was brought together because of a growing interest by employers in addressing the work-family needs, especially the child care needs, of this segment of the labor force. The Employer Group convened six times over the past two and a half years. The Families and Work Institute (FWI), a non-profit research organization studying work, family and community issues, received start-up funding from the Carnegie Corporation of New York, and ongoing grant support from the Pew Charitable Trusts, to organize these meetings.

The story of the work-family field has grown out of different motivations at different times, starting with an interest in paving the way for more women in management positions. Now, a great motivator is employers' search for ways to recruit and retain professional or management employees. But there are an increasing number of employers who are seeing that, with a growing service sector, a tightening labor market, an increasing number of jobs that do not require advanced education or skills, and the costs of turnover in those jobs, in order to recruit and retain this important segment of their workforce, it was timely for business to take a hard look at these issues.

FWI initiated this project as part of their ongoing interest in the work-life issues confronting all employees, a particular interest in reaching the low-wage population which had not been major players in the debate, and a concern about the unique child care issues confronting them.

WHO ARE THE MEMBERS?

The goal in developing the membership was to include a diverse group of industries with different types of workforces, at different stages of looking at low-wage workers' needs, yet facing common issues and having common goals. Member companies encompass five major types of industries: hotel and hospitality, food service, retailing, manufacturing, and administrative support at financial institutions and insurance companies. Our employees may serve the public at fast food restaurants, clean rooms at hotels, help customers make choices at department stores and markets, operate cash registers, process bills and claims, or work on lines in manufacturing plants. Member companies include Aetna, ConAgra, Federated Department Stores, Hyatt Hotel Corporation, J.C. Penney, Marriott International, Target Stores, and Wawa, Inc. We are headquartered in different parts of the U.S. and most of us have local operations across the country and internationally (although we focussed on U.S. workers).

Although our employees engage in very different kinds of jobs in myriad locations, we have found that our workforces have a lot more in common than we would have predicted. We all have workforces made up of people from a variety of backgrounds, with different education and skill levels, who are young and older, white and minority, single and married, some who have children or elder care responsibilities while others don't, some who are American-born as well as foreign-born, and who have varied job histories and welfare experiences. We call these employees "low-wage workers" because their annual take-home pay puts them in the bottom quartile of American workers. Some employees are salaried, some are hourly; some employees are the sole providers for their families, while others are part of dual-earner couples. When we look at family income, we only consider low-wage households to be those where both employees can be considered in this group. Even within our own companies, we have come to realize we are dealing with many different types of employees with some very different needs.

WHAT DID WE DO?

At each meeting, we discussed how we could best serve the needs of both our workers and our companies. We:

- Explored and supported the development and sharing of non-proprietary efforts and programs;
- Provided a forum for the private and protected discussion of ideas;
- Supported informed public discussion of issues associated with member organizations;
- Invited outside experts to our meetings so we could study some issues in more depth, such as child care options, the federal Earned Income Credits program or public-private partnerships around welfare reform.

KEY FINDINGS AND SUGGESTED ACTIONS

- Employees who work in low-wage jobs are as diverse in their needs and goals as employees who work in any other jobs. The low-wage workforce is composed of people working hard to support themselves and their families. Workers are not interchangeable, not a replaceable commodity. They are individuals with skills and lives beyond their workplaces. We must recognize that employees in these jobs form the backbone for the workforce. Respect is fundamental to an effective workplace.

  Action: *Employers must recognize that the profile of the low-wage workforce is always changing. We must develop workplace cultures that respect this diversity of family forms and backgrounds and that address and support workers with different needs at different times in their life cycles.*

- Regardless of whether we are in a business cycle where there are more jobs than qualified people or more people looking for work than there are jobs, we must invest in training and working with employees in low-wage jobs. To remain competitive, we must realize that there is a pay-off for the individuals, for our companies, and for our customers if we invest in all of our employees. These employees are often the first or only contact our customers have with our companies. They come to represent us in our customer eyes. For our businesses, there is certainly a return on this investment.

  Action*: It is in our self-interest to develop this human capital by investing in learning opportunities and opportunities for job advancement.*

- Supportive workplace cultures and supportive supervisors are key to improving recruitment, retention and productivity of good employees. There is not a "one size fits all" plan for developing programs and policies for employees in low-wage jobs.

  Action: *We need to look at the needs of our particular employees and our particular business to customize our approach.*

- All jobs need to have some flexibility. What employees request the most is some degree of flexibility that will allow them to meet the demands of their work and personal lives.

  Action: *All workers need to have some measure of flexibility at different times. We must re-think how we design and organize jobs so that we can enable as many low-wage employees as possible to have some control over the schedule of their days so that they can take time away from work where they have to attend to a family or personal need. There is evidence that this will benefit both the employee and the employer*

- Options for affordable, safe and high quality child care are vital for our employees

and their children. Such care comes in many different forms: child care centers in their communities or on-site at companies, family child care arrangements, care by a relative or friend or care by parents who work different shifts so that there is always a parent at home. There are no easy fixes. Sometimes it is assumed that an on-site child care is an appropriate solution, but that does not always work for everyone. As employers, we must recognize that parents make these choices for many reasons. We can devise ways to support their choices that enable them to do their jobs and support their families, knowing that their children are well cared for while they are at work.

> ***Action:*** *There are many ways we can help employees in low-wage jobs to ensure that their children are in quality, affordable care while they are at work. We can offer Resource and Referral services in multiple languages that have a variety of options; we can support programs that provide education and training for family child care providers and others in the community; we can institute DCAPs (Dependant Care Assistance Programs) that allow employees to pay for care with pre-tax dollars; we can develop on-site centers or near-site centers that have affordable fees or sliding scales so that they are an option for all of our employees; we can help them access public subsidies; we can develop flexible schedules that take into account people's child care needs; we can work with our employees to determine the best possible options.*

- There are federal, state and community programs that employees in low-wage jobs can access. For example, Earned Income Tax Credits (EITC) and Advanced EITC can literally increase the disposable income of our employees at little or no cost to the employer, but often employees do not know they are eligible, or feel they are unable to deal with the system. In other cases, employees from low-income households may be eligible for federal and state subsidies such as health care programs for themselves and their children, child care subsidies, subsidized housing or food stamps.

> ***Action:*** *We must develop organized systems for helping ensure the availability of and access to government and community programs for which our employees may be eligible.*

CONCLUSION

If we invest in our employees who work in low-wage or entry-level jobs at our companies, we can expect a return on this investment. It is our intent to become the "employer of choice" in our communities; retain employees who are well-trained, productive and do their jobs well; and ensure that our employees' children are cared for in situations that educate and nurture them. But we cannot do this alone. We are only one part of the solution. Communities, the public sector and other businesses are all vital partners in developing solutions. The cost is minimal --- sometimes just a re-thinking of how we do things or creative planning. There is a business case for supporting the employees who work so hard for our companies.

THE MARYLAND CHILD CARE BUSINESS PARTNERSHIP ACKNOWEDLGES, WITH GRATITUDE, THE CONTRIBUTIONS OF THE FOLLOWING INDIVIDUALS:

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4. This overview of promising practices draws largely from a recent review of best practices conducted by the Families and Work Institute and reported in *Investing in Child Care: Challenges Facing Working Parents and the Private Sector Response*, issued by the U.S. Department of the Treasury, April, 1998; and also from *Meeting the Needs of Today's Workforce: Child Care Best Practices*, published by the U.S. Department of Labor, 1998. Unless otherwise noted, examples are drawn from these two documents.

5. Phillips, D. (1995).

6. Child Care Bureau. (1997) *Child Care Bulletin*, January/February 1997. Washington, D.C.: U.S. Dept of Health and Human Services.

7. Materials from the Child Care Partnership Project are available through the National Child Care Information Center at http://nccic.org/ccpartnerships or by phone at (800) 616-2242.

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